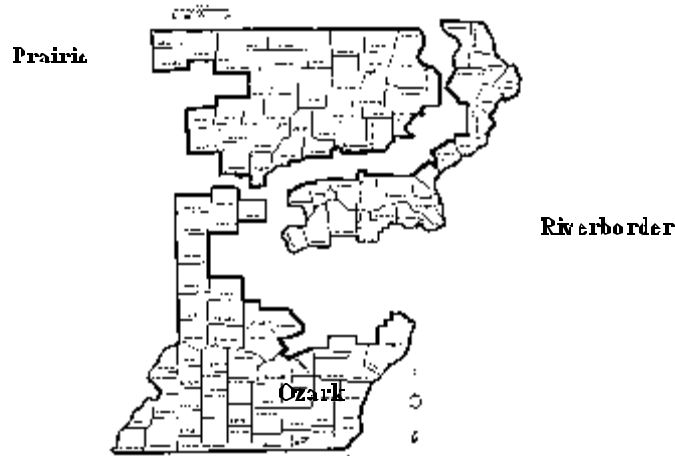


Missouri Timber Price Trends



Quarterly Market Report
Vol. 7 No. 3
July - September, 1997

Price Reporting Regions



Missouri Timber Price Trends tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

Tree Scale Conversion Factors

Sawlogs - Veneer Logs

Int'l = Doyle x 1.38
Int'l = Scribner x 1.18

Pulpwood

Pine 5,200 lbs/cord
Hardwood (hard) 5,600 lbs/cord
Hardwood (soft) 4,200 lbs/cord

STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(July - September, 1997)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer Logs							
White oak (group)	\$1500	\$500	\$835	\$880	-	2	4500
Sawlogs							
Ash	\$60	\$60	\$60	-	-	1	340
Black Walnut	\$415	\$60	\$105	\$590	-	2	1105
Hackberry	\$60	\$60	\$60	\$160	-	1	410
Hickory	\$80	\$60	\$70	\$65	-	3	3630
Mixed Hardwoods	\$220	\$75	\$120	\$75	-	6	25588
Oak (mixed species)	\$195	\$75	\$135	\$120	-	11	1806244
Red oak (group)	\$415	\$55	\$175	\$155	-	12	456072
S Yellow Pine	\$175	\$75	\$90	\$130	-	5	177986
White oak (group)	\$400	\$55	\$135	\$160	-	10	334384
Stave Logs							
White oak (group)	\$345	\$200	\$235	-	-	2	4693
Fence Posts							
S Yellow Pine	\$.23 ea.	\$.23 ea	\$.23 ea.			1	3279 pcs.
Pulpwood							
Oak (mixed species)	\$2/ton	\$2/ton	\$2/ton	-	-	1	75 Tons

OZARK TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(July - September, 1997)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Sawlogs							
Black Walnut	\$415	\$415	\$415	-	-	1	145
Hickory	\$80	\$80	\$80	\$65	-	1	1300
Mixed Hardwoods	\$220	\$115	\$120	\$65	-	2	15520
Oak (mixed species)	\$195	\$75	\$130	\$120	-	10	1545744
Red oak (group)	\$415	\$55	\$195	\$150	-	5	208007
S Yellow Pine	\$175	\$75	\$90	\$130	-	5	177986
White oak (group)	\$220	\$100	\$120	\$150	-	3	77180
Stave Logs							
White oak (group)	\$345	\$200	\$235	-	-	2	4693
Fence Posts							
S Yellow Pine	\$.23 ea.	\$.23 ea.	\$.23 ea.			1	3279 pcs.

PRAIRIE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(July - September, 1997)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Sawlogs							
Ash	\$60	\$60	\$60	-	-	1	340
Black Walnut	\$60	\$60	\$60	\$590	-	1	960
Hackberry	\$60	\$60	\$60	\$160	-	1	410
Hickory	\$80	\$60	\$65	-	-	2	2330
Red oak (group)	\$90	\$60	\$80	\$225	-	2	33780
White oak (group)	\$105	\$60	\$70	\$235	-	2	45460
Pulpwood							
Oak (mixed species)	\$2/ton	\$2/ton	\$2/ton	-	-	1	75 Tons

RIVERBORDER TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(July - September, 1997)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Veneer Logs							
White oak (group)	\$1500	\$500	\$835	\$1800	-	2	4500
Sawlogs							
Mixed Hardwoods	\$185	\$75	\$120	\$60	-	4	10068
Oak (mixed species)	\$160	\$160	\$160	-	-	1	260500
Red oak (group)	\$400	\$55	\$175	\$265	-	5	214286
White oak (group)	\$400	\$55	\$155	\$260	-	5	211744

Missouri Log Market Report



Missouri Department of Conservation, Forestry Division University of Missouri, Forestry Extension Missouri Forest Products Association

Welcome to the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call Shelby Jones at (314) 751-4115, Extension 109.

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(July - September, 1997)

*** 14 Mill(s) reporting.**

Veneer Logs

Species	High	Low	Avg.
Red oak (group)	\$600	\$400	\$500
White oak (group)	\$1200	\$400	\$775

*** 4 Mill(s) reporting.**

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	\$425	\$285	\$230
Black Walnut	\$745	\$630	\$525
Cherry	\$590	\$330	\$330
Cottonwood	\$220	\$180	\$145
Eastern Redcedar	\$300	\$235	\$235
Hackberry	\$240	\$180	-
Hard Maple	\$435	\$300	\$200
Hickory	\$275	\$215	\$200
Red oak (group)	\$480	\$365	\$255
S Yellow Pine	\$200	\$200	-
Soft Maple	\$440	\$335	\$280
White oak (group)	\$435	\$340	\$255

*** 24 Mill(s) reporting.**

Average Ozark Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(July - September, 1997)

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	\$365	\$265	\$250
Black Walnut	\$565	\$505	\$440
Cherry	\$300	\$300	\$300
Eastern Redcedar	\$235	\$235	\$235
Hard Maple	\$340	\$250	\$200
Hickory	\$400	\$250	\$200
Red oak (group)	\$380	\$300	\$215
S Yellow Pine	\$200	\$200	-
Soft Maple	\$225	\$225	\$175
White oak (group)	\$340	\$270	\$225

Average Prairie Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(July - September, 1997)

Veneer Logs

Species	High	Low	Avg.
Black Walnut	\$1200	\$960	\$780

*** 1 Mill(s) reporting.**

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	\$440	\$330	\$210
Black Walnut	\$480	\$480	\$480
Cherry	\$720	\$450	\$360
Cottonwood	\$240	\$180	\$145
Hackberry	\$300	-	-
Hard Maple	\$480	\$300	-
Hickory	\$240	-	-
Red oak (group)	\$660	\$540	\$390
Soft Maple	\$540	\$405	\$330
White oak (group)	\$545	\$460	\$330

*** 5 Mill(s) reporting.**

Average Riverborder Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(July - September, 1997)

Veneer Logs

Species	High	Low	Avg.
Red oak (group)	\$600	\$600	\$600
White oak (group)	\$1200	\$1200	\$1200

*** 1 Mill(s) reporting.**

Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	\$600	\$225	-
Black Walnut	\$1200	\$780	-
Cherry	\$1200	\$180	-
Cottonwood	\$210	-	-
Eastern Redcedar	\$300	-	-
Hackberry	\$180	\$180	-
Hard Maple	\$510	\$330	-
Hickory	\$180	\$180	-
Red oak (group)	\$730	\$420	-
Soft Maple	\$340	\$180	-
White oak (group)	\$640	\$390	-

*** 5 Mill(s) reporting.**

Average Statewide Delivered Prices
Dollars per Thousand Board Feet, International ¼" Scale
(July - September, 1997)

Below Grade Logs

Species	Blocking	Pallet	Tie
Ash	\$160	\$165	\$225
Black Walnut	\$170	\$185	\$255
Cherry	\$180	\$195	\$225
Cottonwood	\$180	\$165	\$200
Eastern Redcedar	\$155	\$155	\$155
Elm	\$155	\$170	\$185
Gum	\$140	\$150	\$190
Hackberry	\$160	\$170	\$205
Hard Maple	\$155	\$180	\$215
Hickory	\$155	\$170	\$205
Pecan	\$155	\$170	\$155
Red oak (group)	\$160	\$165	\$205
S Yellow Pine	\$130	\$155	\$190
Soft Maple	\$165	\$175	\$210
White oak (group)	\$160	\$165	\$215

* 24 Mill(s) reporting.

QUARTERLY MARKET CONDITIONS

28 mills, with a combined annual production of 100,805,000 board feet, participated in the July - September, 1997 survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 58 timber sales containing 2,828,901 board feet located throughout the state. Scrag logs: \$152/MBF Int'l. Scrag bolts: \$149/MBF Int'l. Stave logs: \$371/MBF Int'l.

Log Markets

Log markets have not changed much since last quarter according to our reporting mills. There still appears to be a shortage of logs for many mills throughout the state. Nearly all mills reported low log inventories for this time of year and difficulty in finding timber to purchase. Because of the demand, log prices increased slightly for almost all grades. The greatest price increases are for higher grade, larger diameter logs. This is a trend that is likely to continue for awhile.

Veneer log prices were noticeably absent from reports reflecting the low level of activity in many veneer markets during the summer months. Hopefully, we will see more activity and reported veneer log prices next quarter. Landowners and consulting foresters who have prepared timber sales containing veneer quality trees will be putting them out for bids in the next couple of months. White oak and walnut were the only species listed by mills in the veneer log grades. Walnut veneer log prices were very low from a historical perspective, so it will be interesting to see if prices take any significant seasonal jump during the 4th Quarter.

Prices for grade logs showed no general trends. Ash, walnut, cherry, hard maple, and soft maple were reported higher in all grades. Red oak and white oak were both higher in the middle grades, probably reflecting some reporting of tie logs in that category. Grade 1 red oak logs averaged a

\$40/MBF increase over last quarter probably reflecting a scarcity of supply rather than any big market increase. White oak grade 1 logs did not reflect the same trend and stayed about the same level as last quarter. Eastern redcedar prices were steady. Cottonwood, hickory, and pine prices were all down slightly. Pine prices have trended slightly downward since the addition of chip-n-saw log markets to southern Missouri. While this price report has collected no data on delivered prices of chip-n-saw pine logs, we are aware of seemingly low prices being quoted. Chip-n-saw logs are purchased by weight and the conversion to \$/MBF International Scale is somewhat confusing to many loggers. If our conversions are correct, delivered chip-n-saw log prices are about equal to stumpage prices of one year ago. It's possible sawmills have dropped their prices for pine logs accordingly.

In the below grade log categories, there was a \$5-\$10/MBF increase in blocking, pallet, and tie log prices. Again, these price increases probably reflect competition for available timber and generally low log inventories at many mills. Tie logs continued their steady upward trend due both to demand in current markets, plus some difficulty in obtaining steady supplies of good quality, larger logs.

It appears that the cost of logs is increasing greater than prices received for most of the products produced in Missouri sawmills. Thus, sawmills must find ways to increase their efficiency, reduce other costs or find more profitable market niches if they are to maintain current operating margins. Competition is increasing for raw material and that trend is likely to continue for the foreseeable future. Under these conditions, it is tempting to ignore investment in long term relationships with forest landowners and the practice of good forest management. It's time to take a close look at where your future wood supply will be coming from and what you can do to insure a future timber supply is available.

Stumpage Markets

Stumpage prices reported by foresters this quarter are very hard to summarize. There was a lot of variability in reports and the majority of reports contained information about oak species only. In fact, for most species there were not enough reports to truly reflect accurate market prices.

The mixed oak category is one that I don't often mention because the quality and content is not well defined. However, the category can be helpful to describe prices paid for smaller quantity sales and, generally speaking, lower quality trees. If that characterization holds true, it appears that stumpage prices for lower quality trees improved slightly last quarter. As mentioned in the delivered log discussion, low log inventories at sawmills and competition for standing timber are probably the major reasons for the increase. From a landowners perspective, this trend will probably continue through the winter months as mills try to build their log supplies.

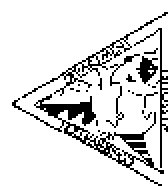
Average red oak prices continue to rise, but there is more variation in reported sales. High quality, larger diameter timber is definitely commanding higher prices. While average white oak sawlog prices are lagging behind red oak by \$10-\$15/MBF, the overall market outlook is very good. Landowners can expect to see slight price increases in white oak stave logs beginning immediately. White oak veneer will also start its seasonal increase very soon. Missouri produces much more white oak veneer quality logs than red oak and good markets exist statewide.

Pine stumpage prices seem to have declined significantly in the past few months. Please review the discussion about pine in the delivered log sections for a possible explanation. If you own good quality sawlog pine, you will probably want to check local markets closely before soliciting bids. Pine tie markets appear to be good with an upward trend in price. Only one pine post sale was reported so I don't know if that price is indicative of the overall market.

Only one small pulpwood sale was reported and that was from southwest Missouri. We will attempt to increase the number of pulpwood sales reported as the mills in southeast Missouri start procurement efforts next quarter.

Editor's Note:

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (314) 751-4115, Extension 308, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you.



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